

Division of Health Care Finance and Policy

COMMUNITY HEALTH CENTER 2007/2008 COST REPORT

Version -1

DIVISION OF HEALTH CARE FINANCE AND POLICY

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FILING REQUIREMENTS

Pursuant to Regulation 114.3 CMR 4.00: Rates for Community Health Centers (CHCs).

Clinics that provide comprehensive ambulatory services and are not financially or physically part of a hospital are required to report financial and statistical data to the Division of Health Care Finance and Policy on an annual basis. Such data must reflect activity for the twelve months of a community health center's fiscal year.

Eligible providers of CHC services are CHCs which meet the conditions of participation that have been or may be adopted by a governmental unit purchasing CHC services, or by purchasers under the Workers' Compensation Act (Reg. 114.3 CMR 40:00).

REQUIRED SCHEDULES

The following forms are to be completed by eligible CHCs and certified by an authorized center representative:

General Information

Schedule A	-	Staffing Information
Schedule B RG	-	Statement of Basis of Allocation for Restricted Funding
Schedule B UG	-	Statement of Unrestricted Funding
Schedule B-S	-	Statement of Basis of Allocation for Restricted and Unrestricted Funding- Summary
Schedule B1	-	Patient Revenue Worksheet
Schedule B2	-	Statement of Revenue- Statement of Income
Schedule D	-	Statement of Operating Expenses- Summary
Schedule D1	-	Statement of Operating Expenses- Detail Non-Wage
Schedule D2	-	Statement of Operating Expenses- Detail of Line 58
Schedule F	-	Statistical Information
Reconciliation 1	-	Revenue and NPSR
Reconciliation 2	-	Expense and Salaries

In order to assist you in filling out the reporting forms, the attached material provides general instructions as well as detailed explanations of:

-COST CENTERS

-ALLOCATION BASES

-LINE ITEM EXPENDITURES

Where specific instructions are not provided the forms and line items are self-explanatory and can be completed through the application of routine accounting practices. Where interpretation of any item on the report is in question, apply the Principles of Medicare Cost Reporting, or contact the DHCFP for additional assistance.

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GENERAL INSTRUCTIONS FOR COMPLETING COST REPORT

GENERAL INFORMATION

On this form the Community Health Center should enter the following information. This information, once entered on this schedule, will carry forward to subsequent schedules as they load.

ORG ID

Organization ID Number to be entered by DHCFP staff

CLINIC NAME

Full clinic name with proper punctuation and no abbreviations

FISCAL YEAR ENDING

Enter using a 4digit year date format. EXAMPLE: MM/DD/YYYY

UPDATE

This cell is refreshed automatically whenever you load, save, or recalculate the report.

STREET NUMBER

Enter your center's street number ONLY. DO NOT include street in this field.

STREET

Enter your center's street name ONLY. DO NOT include street number in this field.

ADDRESS2

Other address information i.e. suite, office number, front, rear, etc.

P.O. BOX NUMBER

Enter ONLY the Post Office Box NUMBER. EX: 999

CITY

Enter city or town.

STATE

Enter the 2 digit postal state code in Upper Case letters. EXAMPLE: MA

ZIP

If you have a nine digit zip code enter it here, if not enter the five digit zip code.

The cell has an input mask which will format your entry: NNNNN-NNNN OR NNNNN

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MEDICARE PROVIDER NUMBER

Enter Medicare provider number.

The cell has an input mask, which will help format your entry. If entry is less than 9999 as it will be formatted as 22NNNN, if greater than 229999 it will be formatted as 2CNNNNSNNN.

FEIN

Enter your Federal Employers Identification Number. The cell has an input mask which will format your entry:

As NNN-NN-NNNN.

TELEPHONE NUMBER

Enter phone number. The cell has an input mask which will format your entry: (NNN) NNN-NNNN

FAX NUMBER

Enter FAX number. The cell has an input mask which will format your entry: (NNN) NNN-NNNN

EMAIL

Enter the Email address of your primary cost report contact.

CHIEF EXECUTIVE DIRECTOR

MEDICAL DIRECTOR

CHIEF FINANCIAL DIRECTOR

FSTNAME

Enter first name ONLY.

MDLNAME

Enter middle name OR middle initial without punctuation.

LSTNAME

Enter last name OR last name and "," and suffix i.e. Jr., Sr., III, etc. Include comma after last name and period after suffix if required.

OPTIONAL COST CENTERS

Enter the titles of such other cost centers that represent programs run by your agency that are not adequately categorized by the existing cost centers (ex. Elder Service Program, Detox)

SCHEDULE A: STAFFING INFORMATION

NORMAL WORK WEEK HOURS

Number of Hours considered a full workweek for hourly employees.

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COLUMNS: FTE

Total Full-Time Equivalents.

COLUMNS: DOLLARS

Total dollars spent on employees under the appropriate position category.

COLUMNS: UNITS OF SERVICE

All units of service provided by professionals for which a unit of reimbursement has been established. The following instructions shall apply:

Medical	All Nurse, Midlevel Provider, and Physician medical encounters.
Laboratory	All lab procedures based on procedure codes listed within 114.3 CMR 20.00.
X-Ray	All radiology procedures.
Pharmacy	All prescriptions dispensed via an on-site or off-site 340B pharmacy. On-site 340B pharmacies should report prescriptions on Line 16, Pharmacists. <u>Off-site 340B pharmacies should report prescriptions on Line 27, Purchased Direct Medical – Other.</u> NOTE: Off-site 340B pharmacies are not capturing their off-site costs on Line 27, only the prescriptions.
Dental	There are two columns for unit of service data. All visits with dental personnel.. All procedures performed by dental personnel. <u>NOTE: Visits are encounters with dental personnel (a dentist and/or hygienist). One visit can involve an encounter with a hygienist, a dentist, or both. One visit can have multiple billable procedures.</u>
Mental Health	All clinician encounters. If the mental health program is certified, list the number of certified encounters.

STAFFING CATEGORY

Positions are arranged in HORIZONTAL ROWS and are listed below.

LINE (1):	Medical Doctor
LINE (2):	Medical Resident
LINE (3):	Dentist
LINE (4):	Hygienist
LINE (5):	Psychiatrist
LINE (6):	Podiatrist

STAFF medical doctors, medical residents, dentists, psychiatrists, and podiatrists.

LINE (7):	Administration
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Executive Director, Assistant Director, Fiscal Director, Staff Accountant, etc. This item includes the professional management staff of the center as well as all other persons who spend 100% of their time in the administrative area.

LINE (8):	Nurse Midwife
LINE (9):	Physician's Assistant
LINE (10):	Nurse Practitioner
LINE (11):	Midlevel - Other

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All professional personnel who act independently of a physician. Other Midlevel personnel include Optometrists, Therapists, or Audiologists.

LINE (12): RN
LINE (13): LPN

Registered Nurses & Licensed Practical Nurses.

LINE (14): Clinical Psychologist
LINE (15): L.I.C.S.W.

Clinical Psychologist (doctorate-level) and Licensed Social Worker.

LINE (16): Pharmacists

Staff pharmacists working within the on-site 340B pharmacy.

LINE (17): Registered Dietician
LINE (18): Tobacco Cessation Counselor

LINE (19): Technical Providers

Personnel who provide supporting assistance to physicians and dentists (nurses excepted) and all professional and formally trained technical personnel such as nutritionists, social workers (not licensed), counselors, dental hygienists laboratory technicians and X-Ray technicians.

LINE (20): Aides, Outreach Personnel

Personnel who provide ancillary care including X-ray Assistants, Laboratory or Medical Assistants, Dental Assistants, Pharmacy Aides, Community Aides, and Family Health Aides.

LINE (21): Clerical & Support Staff

All staff who provide support directly in the medical area or in part to several functional areas, including Administration, e.g., receptionists, billing clerks, registration clerks and drivers.

LINE (22): Medical Records Personnel

Medical Records Librarians, technicians or clerks.

LINE (23): Maintenance/Housekeeping

All custodial and maintenance personnel.

LINE (24): Donated Salaries Medical Doctor
LINE (25): Donated Salaries Other

Personnel providing direct and/or administrative services in the center as allowed under Medicare guidelines for unpaid workers.

LINE (26): Purchased Direct Medical- Medical Doctor
LINE (27): Purchased Direct Medical- Midlevel
LINE (28): Purchased Direct Medical- RN
LINE (29): Purchased Direct Medical- Other

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Purchased medical from outside vendors or agencies not in the employ of the center, such expenditures being identified with a specific cost center. Contracted personnel should be considered under these line items.

SCHEDULE B RG: STATEMENT OF BASIS OF ALLOCATION FOR RESTRICTED FUNDING

RESTRICTED FUNDING

Grants, Gifts, Contributions, Bequests, Fund Principal, or Endowment Balances, or any income used to defray allowable operating costs. Cost reimbursement and negotiated rate contracts are included, NO Capital Grants.

Income is considered to be RESTRICTED if it has been designated for a specific purpose or program or time period by the GRANTOR and it cannot be used for purposes and programs or time periods other than those designated.

GRANT CATEGORY

List RESTRICTED Funding by Grant Category.	
1	Federal
2	State – Cost Reimbursement Contracts
3	State-Unit Rate Contracts
4	Local
5	Private
6	Donated

GRANT/GIFT/DONATION

List and describe RESTRICTED Funding by source and purpose (DPH – TB Control Grant, Ryan White, etc.). Each entry should be on a separate line and additional sheets should be included if more room is needed (hardcopy ONLY).

GENERAL LEDGER

List the total income for each entry.

ADMINISTRATION

List the income totally restricted to the payment of administrative expenses for the entire center. Funding for administrative expenses in specific cost centers should be allocated directly to those cost centers.

Allocated RESTRICTED Funding

Allocate RESTRICTED funding to the appropriate cost centers based on the terms and conditions of funding restrictions. Funding which impacts more than one cost center and is restricted in use but not dollar amount should be allocated to the appropriate cost centers using allocation METHOD “T” Total Expense on the “Allocate” tab.

SCHEDULE B UG: STATEMENT OF UNRESTRICTED FUNDING

UNRESTRICTED FUNDING

Grants, Gifts, Contributions, or any income used to defray allowable costs, not including operating costs.

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Income is considered to be UNRESTRICTED if it has **NOT** been designated for a specific purpose or program or time period by the GRANTOR and it cannot be used for purposes and programs or time periods other than those designated.

GRANT CATEGORY

List UNRESTRICTED Funding by Grant Category.	
1	Federal
3	State-Unit Rate Contracts

NOTE: Local and Private UNRESTRICTED funding are entered directly into Schedule B-2.

GRANT/GIFT/DONATION

List and describe UNRESTRICTED Funding by source and purpose. Each entry should be on a separate line and additional sheets should be included if more room is needed (hardcopy ONLY).

GENERAL LEDGER

List the total income for each entry.

SCHEDULE B1: PATIENT REVENUE WORKSEET

ACCOUNTS RECEIVABLE BEGINNING THIS PERIOD

The collectable amount due the center at the beginning of a reporting period from patients and/or third party payers for services rendered. The beginning balance for this period **MUST** equal the previous year's ending balance.

FULL CHARGES AND PREMIUMS DURING THIS PERIOD

The GROSS charges or premiums as established by the center for the particular types of services rendered. Charges or premiums should be calculated on a 100% pay basis prior to any adjustments and reasonably related to operating costs.

AMOUNT COLLECTED DURING THIS PERIOD

Cash collected during this period for all services regardless of when those services were performed.

ADJUSTMENTS

Accounting transactions reflecting the difference between the full charges or premiums recorded and the amount actually collected or expected to be collected in the near future.

Adjustments are classified by type according to the characteristics of the transaction.

D1 : Disallowances and Reductions (CONTRACTUAL ADJUSTMENTS)

The differences between the center's customary charges and the amount **ALLOWED** by third party payers for billed services.

D2 : Adjustments Free Care

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Reductions to full charges, or to the amounts transferred to patient fees/premiums from third party payers, based on the center's sliding payment scale adjustments.

D3 : Bad Debt Write-Off

The amount of NET charges (gross charges less disallowances and reductions, and/or sliding payment scale adjustments) which are not expected to be collected.

D4 : Other Adjustments

Any other type of adjustments such as recovery of bad debt policy and staff discounts, free staff immunizations, etc.

ACCOUNTS RECEIVABLE AT END OF THIS PERIOD

The collectable amount due the center at the end of a reporting period from patients and/or third party payers for services rendered. This amount represents:

= (Beginning Receivables + Charges/Premiums) LESS (Amount Collected + Contractual Allowances + Free Care + Bad Debt + Other Adjustments)

Payer clarifications:

Line (2): MASSHEALTH – FEE FOR SERVICE / PCC PLAN

Claims revenue for PPC Plan members and other MassHealth FFS members paid directly by MassHealth.

Line (3): MASSHEALTH – MCO

Neighborhood Health Plan, Boston Medical Center HealthNet Plan, Network Health and Fallon Community Health Plan.

Line (11): COMMERCIAL / PRIVATE THIRD PARTIES

Neighborhood Health Plan (**COMMERCIAL MEMBERS ONLY**), Blue Cross / Blue Shield, Tufts Health Plan, etc. Funding reported, on FY03 CHC cost reports and earlier versions, as OTHER THIRD PARTIES – GOVERNMENT, including out-of-state Medicaid, should be included here.

Line (12): PATIENTS FEES / SELF PAY

All bills paid for by the patient and all co-payments for third party payers paid for by the patient. It also includes any patient payments towards partial free care.

TOTAL MEDICAL VISITS

Total number of patient visits for the purpose of prevention, diagnosis, and treatment of physical illness including routine family health care such as internal medicine, family medicine, pediatrics, OB/GYN, and medical specialists. This category does not include visits with Podiatrists, Ophthalmologists, Optometrists, Therapists, or any other providers reimbursed under regulations other than Regulation 114.3 CMR 4.00: Rates for Community Health Centers. The medical visits should be broken out by third-party payer.

TOTAL ALL VISITS

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Total number of patient encounters for all services provided by the center (including VISITS listed in column F). The total visits should be broken out by third party payer.

SCHEDULE B2: STATEMENT OF REVENUE

On Schedule B2, under Third Party Revenues, report Net Patient Service Revenue by payer. **Total Net Patient Service Revenue**, must agree with the Financial Statement.

Payer clarifications:

MASSHEALTH – FEE FOR SERVICE / PCC PLAN

Claims revenue for PPC Plan members and other MassHealth FFS members paid directly by MassHealth.

MASSHEALTH – MCO

Neighborhood Health Plan, Boston Medical Center HealthNet Plan, Network Health and Fallon Community Health Plan.

COMMERCIAL / PRIVATE THIRD PARTIES

Neighborhood Health Plan (**COMMERCIAL MEMBERS ONLY**), Blue Cross / Blue Shield, Tufts Health Plan, etc. Funding reported, on FY03 CHC cost reports and earlier versions, as **OTHER THIRD PARTIES – GOVERNMENT**, including out-of-state Medicaid, should be included here.

PATIENTS FEES / SELF PAY

All bills paid for by the patient and all co-payments for third party payers paid for by the patient. It also includes any patient payments towards partial free care.

The sum of **the Restricted Grants, the Unrestricted Grants and the Contract Revenue** must tie to the total Grant and Contract Revenue reported on the Financial Statements.

Total Revenue, MUST agree with the Financial Statements.

SCHEDULE D: STATEMENT OF EXPENSE

Schedule D details the cost centers, allocation bases, and line item expenditures for the entire Community Health Center.

Specific Instructions are available for:

COST CENTERS

LINE ITEM EXPENDITURES

DONATED SPACE / SALARIES / SERVICES

COST CENTERS

COST CENTER

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A specific program, service, or activity which can be separated from others within the organization based on its unique staffing, equipment, or facility needs. This separation permits the segregation or allocation of costs to one area or another based on each area's utilization of the organization's resources. This separation is sometimes referred to as departmental accounting. Column (C), General Ledger (GL) should include the costs for ALL cost centers, columns (D) through (V).

The Cost Centers used in this report are arranged in Vertical Columns, and are listed below.

Administration
Medical
Urgent Care
Residency
Residency Urgent Care
School Based Health Clinic
Laboratory
XRay
Pharmacy
Dental
Mental Health
Support Social Services
Wellness
Support Other
Family Planning
WIC
Other Input 1
Other Input 2
Other Input 3

A detailed definition of each cost center used on this report is provided below.

Cost Center

Administration

Expenditure for administration salaries, other direct administrative costs and general overhead costs. Also expenditures for administrative services of professional provider staff who spend less than 100% of their time performing administrative services provided that such services apply to the total community health center program. Professional provider cost allocations to the administrative cost center must be within the line item salary expense for that category of provider.

Where a professional provider assumes administrative or supervisory functions for one area only, such as medical or social service, the costs associated with these functions should be included in that cost center as part of the line item salary expense for that category of provider.

Similarly, where a professional provider assumes administrative or supervisory functions for more than one area, but not for the total center, the costs for these functions should be allocated according to hours of service in the respective areas as part of the salary expense for that category of provider.

Medical

Expenses incurred in the provision of direct care services for the prevention, diagnosis, and treatment of physical illness, including routine family health care such as internal medicine, family medicine, pediatrics and OB/GYN, and the cost of medical specialists.

Urgent Care

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Expenses incurred in the provision of medical services required “promptly” to prevent impairment of health due to symptoms that a prudent lay person would believe to require medical attention. Urgent Care does not include elective, emergency, or primary care.

Residency

Residency Program expenses incurred in the provision of services for the prevention, diagnosis, and treatment of physical illness, including routine family health care such as internal medicine, family medicine, pediatrics and OB/GYN, and the cost of medical specialists.

Residency Urgent Care

Residency expenses incurred in the provision of medical services required “promptly” to prevent impairment of health due to symptoms that a prudent lay person would believe to require medical attention. Urgent Care does not include elective, emergency, or primary care.

School Based Health Clinic

Expenses incurred a School Based Health Clinic in the provision of services for the prevention, diagnosis, and treatment of physical illness, including routine family health care such as internal medicine and family medicine.

Laboratory

Expenditures for all laboratory services (excluding dental lab services).

X-ray

Expenditures for X-ray diagnosis and treatment services (excluding dental X-ray services).

Pharmacy

Expenditures for a 340B pharmacy operating on-site within a CHC or off-site by a contractual agreement with a retail pharmacy. Expenses attributable to off-site contractual agreements should be accounted for on Line 43, Purchased Other Direct Service.

NOTE: The pharmacy cost center must tie out to the 340B Quarterly Cost Reports submitted for that same fiscal year.

Dental

Expenditures for providing dental services, including laboratory and X-ray.

Mental Health

Expenditures for any mental health services certified for reimbursement under Regulation 114.3 CMR 6.00 should go under this cost center. Noncertified mental health programs should report only Psychiatrists costs and associated costs for support personnel. Psychologists, LICSW and associated indirect costs working for centers uncertified for mental health should appear under Support Social Services.

Support: Social Services

Expenses incurred for social counseling activities and other social and community services which assist primary care patients in meeting family and community needs related to health care. Noncertified mental health programs should report their costs in this cost center. NOTE: Mental health or substance abuse services provided by licensed programs should be a separate cost center.

Wellness

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Expenses for medical nutrition therapy, diabetes self-management therapy, and tobacco cessation counseling in support of the medical treatment plan. Do not include WIC expenses in this column. WIC should be included in its designated cost center.

Support: Other

Expenses for patient related support services, other than social services and nutrition, such as patient transportation, and third party translation during a medical encounter. A separate attachment identifying or describing such programs must accompany the cost report.

NOTE: Medical staff time that is associated with patient visits, but is not considered to be direct care, should be allocated within this cost center. **NOTE:** These costs are added back for cost analysis.

For centers filing electronically, record the expenses for each of these programs, and total the line items and columns. The totals for each line item should then be entered in this cost center.

Family Planning

(A) Expenditures for certified family planning programs reported on appropriate line items when staff is on center payroll. If personnel are provided to the center on a contractual basis, expenditures by such personnel should be included on lines 26, 27 and 28 "Purchased Direct Medical Salaries."

(B) Expenditures for noncertified family planning programs should be reported as follows:

- (1) Expenditures for that portion of the programs, not covered by direct grant support, should be included on appropriate line items when staff is on center payroll. If personnel are provided to the center on a contractual basis, expenditures for such personnel should be reported on lines 26, 27 and 28 "Purchased Direct Medical Salaries."
- (2) Direct Grant Support, i.e., services furnished at no direct cost to the center, reported on line 62, "Other" and recovered on line 40 "Applied Grants, Gifts and Donations."

Women, Infants and Children (WIC)

All Other Programs

Expenses for the provision of all other services that the center provides. Please label the name of the "other" program(s) on Schedule N and provide background on services included.

Centers participating in the MassHealth program or providing services for which the DHCFP has established a rate separate from your center's Medical Visit Rate should use this column to report the costs associated with these programs. In the event that your center has more than one of these programs, enter the next one on Input 2 and Input 3.

Allocation Basis

When appropriate, please designate which basis for allocation was utilized for allotting specific line items expenditures. See the "Allocate" section below for description of drop down options and the allocation methodologies.

LINE ITEM EXPENDITURES

Line Item Expenditures are specific expenses which are unique or different from all other expenses. The Line Items on Schedule D are arranged in HORIZONTAL ROWS and are listed below.

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Line No.	Description (Column B)
2 - 29	Salary expenditures
30	Accrued Salary
31	SUB-TOTAL LINES 2 through 30
32	Payroll Taxes
33	Employee Benefits
34	TOTAL (29+30+31)
35	TOTAL SCH D1 Part 1
36	Total Operating Expense
37	Applied Admin G/G/D
38	TOTAL-Net Operating Expense
39	Administrative Allocation
40	All Other Applied G/G/D
41	TOTAL
42	Purchased Indirect MEDICAL Service
43	Purchased Other DIRECT Service
44	Purchased Other INDIRECT Service
45	Donated Services
46	Medical Supplies
47	Stationary and printing supplies
48	Maintenance
49	Facility Rent
50	Utilities
51	Other Taxes
52	Legal
53	Accounting
54	Insurance
55	Interest Expense
56	Depreciation Building
57	Depreciation Equipment
58	Donated Space
59	Other: Specify Below
60	(LESS) OFFSET TO EXPENSES
61	TOTAL SCHEDULE D1

A detailed definition of each line item expenditure used on this report is provided below.

Item	Description
LINE (2 – 29):	Salary expenditures
	Staff descriptions as described within Schedule A, Staffing Information.
LINE (30):	Accrued Salary
LINE (31):	SUB-TOTAL LINES 1 through 30
	Self Explanatory
LINE (32):	Payroll Taxes
	Expenditures for taxes arising directly out of payment of wages, i.e., FICA, Mass. Unemployment taxes and Federal unemployment taxes.

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LINE (33): Employee Benefits

Expenditures for employee life, health and disability insurance, retirement plans, tuition reimbursement, transportation reimbursement, and all other benefits provided for or to the center's employees.

LINE (34): SUB-TOTAL LINE 29 + LINE 30 + LINE 31

Self explanatory

LINE (35): SUB-TOTAL FROM D1 – Line 62

Self explanatory

LINE (36): TOTAL – Operating Expense

Self explanatory

LINE (37): Applied Administrative Grants/Gifts/Donations

The total amount of restricted grants or gifts and imputed values for facilities and personnel services reported under the administration cost column. These costs must be covered before allocating administrative expenses to cost centers.

LINE (38): NET OPERATING EXPENSE

Administrative Expenses minus Recovered Grants, Gifts and Donations specified on Line 37.

LINE (39): Administrative Allocation

Allocation of total administrative expenses indicated on Line 22, (Total) on the basis of the percentages of total operating costs for each cost center as indicated on Line 20 (Total Operating Expenses). Percentages are determined on Schedule D.

LINE (40): All Other Applied Grants/Gifts/Donations

The total amounts of restricted grants, gifts and imputed values for facilities and personnel services reported for each cost center other than administration. Line 25 is the total operating expense for all cost centers, minus recovered grants, gifts and donations.

LINE (41): ACTUAL OPERATING EXPENSE

Self explanatory

LINE (42): Purchased Indirect Medical Services

Expenditures for purchased medical services which cannot be identified within a single cost area and must be allocated according to the most appropriate method.

LINE (43): Purchased Other Direct Services

Expenditures for purchases, other than medical (e.g., housekeeping, security), from outside vendors or agencies not in the employ of the community health center, such expenditures being identified with a specific cost center. Contracted personnel should be considered under this line item, except for accounting and legal expenses.

NOTE: Off-site 340B pharmacies expenses should be entered here.

LINE (44): Purchased Other Indirect Services

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Expenditures for purchases other than medical which cannot be identified within any single cost area and must be allocated according to the most appropriate method.

LINE (45): Donated Services

The imputed value of non-personnel indirect services such as computer services, supplies, etc., as allowed under the Medicare guidelines for donated services.

LINE (46): Medical Supplies

Expenditures and the value of Donated Materials for consumable medical supplies having expected lives of less than one year.

LINE (47): Stationary and Printing Supplies

Expenditures for administrative supplies which are consumable items having expected lives of less than one year.

LINE (48): Maintenance

Expenditures for supplies related to housekeeping functions.

LINE (49): Facility Rent

Expenditures for rent for facilities only. Rent expenses for equipment should be charged to Other Purchased Services. Office equipment rent should be charged to Stationary and Printing. Rental and leasehold expenses should be included as a reasonable operating cost to the extent of prevailing rentals for comparable properties in the area, as determined by the DHCFP, and provided the expenses do not exceed the amount which would be allowable if the provider owned the facilities and were taking the allowable depreciation.

LINE (50): Utilities

Expenditures for items such as gas, electricity, fuel and water.

LINE (51): Other Taxes

Expenditures for all taxes other than payroll taxes.

LINE (52): Legal

Expenditures for necessary legal expenses incurred by a provider in matters directly related to the provision of adequate patient care.

LINE (53): Accounting

Expenditures for reasonable and necessary accounting, computer processing and auditing expenses incurred by a provider in matters directly related to the provision of adequate patient care.

LINE (54): Insurance

Expenditures for items of insurance, such as Workers' Compensation, fire liability, bonding and malpractice insurance purchased by the center.

LINE (55): Interest Expense

Expenditures for necessary and proper interest on both current and capital indebtedness.

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LINE (56): Depreciation – Building

An allowance for the depreciation of buildings based on accepted accounting principles using the original acquisition cost and/or donated value of assets whose title is held by the center.

Depreciation should be calculated in conformance with the recommendations of the AICPA Audit and Depreciation Guidelines for non-for-profit organizations.

Leasehold and/or building improvements must be prorated over the life of the lease or the balance of the estimated life of the buildings as recommended by the Audit and Depreciation Guidelines for non-for-profit organizations, but in no case should exceed a rate of five percent (5%) per annum

LINE (57): Depreciation – Equipment

An allowance for the depreciation of equipment based on accepted accounting principles using the original acquisition cost and/or donated value of assets whose title is held by the center.

The straight line method should be applied in conformity with the useful lives stated in the American Hospital Association Chart of Accounts.

LINE (58): Donated Space

The imputed rental value of donated space determined by the valuation per square foot which reflects comparable costs in the area where the facility is located.

LINE (59): Other

Sub-total from SCHEDULE D2. Detailed expenditures for items not covered in specific line items on Schedule D using appropriate allocation methods according to each item listed.

LINE (60): (LESS) OFFSET TO EXPENSES

LINE (61): TOTAL SCHEDULE D1

DONATED SALARIES/SERVICES/MATERIALS

NOTE: The value of donated salaries, services, materials and space MUST be recorded as an expense in the appropriate line item categories. Restricted donations WILL be offset in the determination of allowable cost. Failure to report the value of donations will reduce allowable cost. DO NOT NET OUT DONATIONS.

SCHEDULE F: STATISTICAL INFORMATION

Self Explanatory: Enter appropriate inputs based on center's unique experience. Follow instructions on schedule.

NOTE: UNDUPLICATED USER DATA IS REQUIRED. THE FORMAT FOR THIS DATA IS ON SCHEDULE F.

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ALLOCATE

When the appropriate proportion of a particular expense can be identified as applying **ONLY** to a particular cost center(s), that expense may be allocated directly to that cost center(s) based on the knowledge of the proportion of expense which applies to each cost center.

When the appropriate proportion of a particular expense **CANNOT** be identified as applying **ONLY** to a particular cost center(s), or the proportion of the expense applied to a particular area of the clinic is unknown, that expense must be **ALLOCATED** across the cost centers to which it applies.

The following allocation bases are used in this report.

H: HOURS OF SERVICE (Salary Based)

T: TOTAL OPERATING EXPENSE

S: SQUARE FOOTAGE OCCUPIED

V: NUMBER OF VISITS

HOURS OF SERVICE (METHOD H)

Allocations using this method are calculated by determining the amount of salaries in each cost center; dividing that by the total amount of staff salaries; and multiplying the resulting percentage by the total line item expenditure.

TOTAL OPERATING EXPENSE (METHOD T)

Allocations using this method are calculated by dividing the expense for each cost center (except Administration) by the Total Operating Expense for the clinic (less the Administrative Expense); and multiplying the resulting percentage by the Total Administrative Expense.

SQUARE FOOTAGE OCCUPIED (METHOD S)

Method S is used to allocate the appropriate proportion of occupancy related expense (Rent, Mortgage Interest, Maintenance Expense, Building Depreciation, Utilities, etc.) to each cost center.

Allocations using this method are calculated by dividing the square footage each cost center occupies by the total square footage for the clinic; the resulting percentage is then multiplied by the expense in question.

NUMBER OF VISITS (METHOD V)

Method V is used to allocate the appropriate proportion of an expense such as Medical Record keeping, or Billing to each cost center to which the expense applies.

Allocations using this method are calculated by dividing the number of visits provided in each cost center (if any) by the total number of visits. The resulting percentage is multiplied by the expense in question to determine the amount of the expense to apply to each cost center.

Allocation Calculator

Enter Allocation Basis.

Enter the amount to allocate.

Enter Direct portion.

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Copy the row below.

Go to appropriate line on schedule D.

Paste Special VALUES ONLY on applicable line item expenditure, must be shaded cell.

RECONCILIATION

The Reconciliation tabs are to assist with the completion and auditing process of the cost report. The specific cells sourced within the cost report are to be compared with the amounts within audited financials. Documentation for supporting the explanation of any variances, for example the Combining Sheets for multi-component organizations or Uniform Financial Reports (UFR), should be submitted with the cost report.

Reconciliation 1:

Total Revenue

Total Revenue as per the audited financials for the same fiscal year.

Net Patient Services Revenue (NPSR)

Total NPSR as per the audited financials for the same fiscal year.

Reconciliation 2:

Total Expense

Total Expense as per the audited financials for the same fiscal year.

Total Salaries

Total Salaries as per the audited financials for the same fiscal year.
